

Monthly Financial Status Report

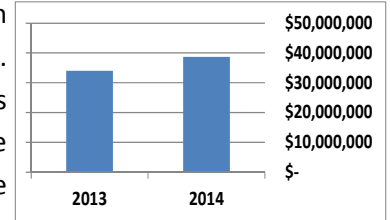
December 31, 2014



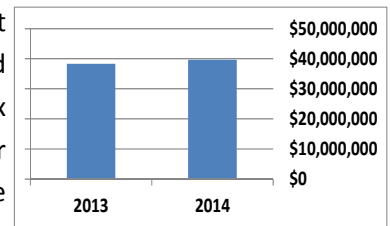
Prepared by the Financial Services Department

KEY REVENUE INDICATORS OVERVIEW

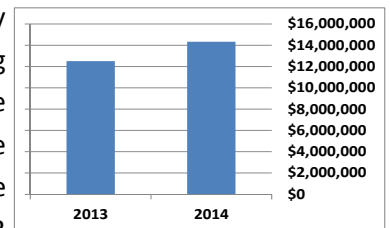
PROPERTY TAX The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for 3 City funds. Property tax collections for 2014 through December are \$38,727,790, which is a 13.93% increase over the 2013 collections of \$33,993,558. The City receives property tax allocations from the County primarily twice a year in January and June with a smaller allocation in the fall.



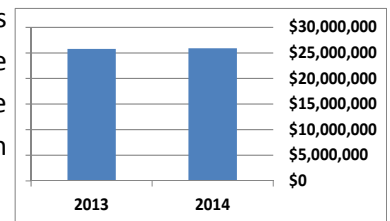
SALES TAX The City of Topeka receives two sales taxes for direct operations: a city wide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Total sales tax collections for 2014 through December are \$39,713,184, which is a 3.53% increase over the 2013 collections of \$38,357,518. The City receives monthly disbursements from the State of Kansas, these allocations have a two month lag compared to when they are collected versus when the City receives them.



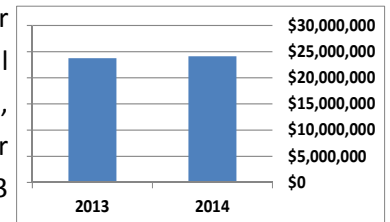
FRANCHISE FEES These revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenues are credited to the General Fund. Sources of franchise fees tend to be volatile, based on the weather, commodity pricing and utility rates. Franchise fee collections are up 14.46% in 2014 with collections of \$14,327,405, compared to 2013 collections of \$12,517,786. Westar franchise fees increased from 5% to 6% in late 2013, all others remain at 5%.



WATER FEES Customers in the City are charged a fee for water services, fees are reviewed on an annual basis to ensure adequate future financial planning and the capacity to maintain, preserve and enhance the infrastructure of the City water system. Water fees for service are down -1.02% in 2014 with billings of \$27,665,063, compared to 2013 billings of \$27,950,985.



WASTEWATER FEES Customers in the City are charged a fee for wastewater disposal, fees are reviewed on an annual basis to ensure adequate future financial planning and the capacity to maintain, preserve and enhance the infrastructure of the City wastewater system. Wastewater fees for service are up 1.69% in 2014 with billings of \$24,136,443, compared to 2013 billings of \$23,734,304.



POSITIVE

CAUTION

NEGATIVE

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GENERAL FUND OVERVIEW

General Fund revenues for the month ending December 2014 were \$87,365,226, an increase of approximately 3% over 2013 revenues which were \$84,917,064. The largest difference monetarily is in licenses/permits and franchise fees, this is due to higher franchise fee collections, caused by Westar increasing from 5% to 6%. General Fund expenditures for the month ending December 2014 were \$83,644,097, a increase of approximately 3% over 2013 expenditures which were \$81,004,034. Expenditures vary year to year by department, the largest difference is in the police department due to contractually obligated expenditures and a decrease in parks and rec due to lower contractual payments.

General Fund Operating Overview

As of December 31, 2014 (100% of budget year)

Department	Actuals			Budget		
	2013 YTD	2014 YTD	Difference	2014 budget YTD	% of 2014 Budget YTD	\$ Diff Compared to 2014 budget YTD
BEGINNING FUND BALANCE	\$ 5,489,436	\$ 9,554,430	\$ 4,064,994			
Revenues						
Taxes & Assessments	\$ 61,690,621	\$ 62,574,902	\$ 884,281	\$ 54,393,871	115.04%	\$ 8,181,031
Intergovernmental	\$ 1,046,789	\$ 1,031,414	\$ (15,375)	\$ 530,000.00	194.61%	\$ 501,414
Licenses/Permits & Franchise Fees	\$ 13,717,247	\$ 15,957,056	\$ 2,239,809	\$ 14,981,245	106.51%	\$ 975,811
Charges for Services	\$ 5,156,255	\$ 5,306,528	\$ 150,273	\$ 5,509,846	96.31%	\$ (203,318)
Fines/forfeitures	\$ 2,715,767	\$ 3,004,772	\$ 289,005	\$ 3,000,000	100.16%	\$ 4,772
Rents/Interest	\$ 179,252	\$ 79,928	\$ (99,324)	\$ 342,020	23.37%	\$ (262,092)
Other	\$ 179,779	\$ (712,812)	\$ (892,591)	\$ 271,400	-262.64%	\$ (984,212)
Transfers In	\$ 200,000	\$ 76,529	\$ (123,471)	\$ 200,000	38.26%	\$ (123,471)
Sale of Assets	\$ 31,354	\$ 46,909	\$ 15,555	\$ 65,000	72.17%	\$ (18,091)
TOTAL REVENUES	\$ 84,917,064	\$ 87,365,226	\$ 2,448,162	\$ 79,293,382	110.18%	\$ 8,071,844
Expenditures						
City Council	\$ 296,934	\$ 265,462	\$ (31,472)	\$ 311,553	85.21%	\$ 46,091
City Manager	\$ 882,761	\$ 1,149,912	\$ 267,151	\$ 1,296,967	88.66%	\$ 147,055
City Attorney	\$ 1,134,818	\$ 1,002,930	\$ (131,888)	\$ 1,140,933	87.90%	\$ 138,003
Financial Services	\$ 2,083,581	\$ 2,122,489	\$ 38,908	\$ 2,187,881	97.01%	\$ 65,392
Municipal Court	\$ 1,653,678	\$ 1,554,152	\$ (99,526)	\$ 1,822,613	85.27%	\$ 268,461
Human Resources	\$ 922,315	\$ 901,537	\$ (20,778)	\$ 1,002,382	89.94%	\$ 100,845
Mayor's Office	\$ 118,646	\$ 108,320	\$ (10,326)	\$ 134,186	80.72%	\$ 25,866
Non Departmental	\$ 506,642	\$ 900,105	\$ 393,463	\$ 5,163,310	17.43%	\$ 4,263,205
Prisoner Care	\$ 811,868	\$ 738,645	\$ (73,223)	\$ 1,055,720	69.97%	\$ 317,075
HND Program Delivery	\$ 84,173	\$ 217,263	\$ 133,090	\$ 227,888	95.34%	\$ 10,625
Social Service Grants	\$ 479,076	\$ 440,801	\$ (38,275)	\$ 404,076	109.09%	\$ (36,725)
Franchise Fee Program	\$ 78,367	\$ 79,925	\$ 1,558	\$ 100,100	79.85%	\$ 20,175
Topeka Performance Center	\$ 383,719	\$ 378,144	\$ (5,575)	\$ 341,949	110.58%	\$ (36,195)
Cemeteries	\$ 165,327	\$ 166,709	\$ 1,382	\$ 170,000	98.06%	\$ 3,291
Fire Department	\$ 24,103,926	\$ 25,117,329	\$ 1,013,403	\$ 25,907,173	96.95%	\$ 789,844
Police Department	\$ 33,724,736	\$ 35,597,999	\$ 1,873,263	\$ 38,024,004	93.62%	\$ 2,426,005
Public Works	\$ 6,774,279	\$ 7,177,827	\$ 403,548	\$ 7,772,450	92.35%	\$ 594,623
Park and Recreation	\$ 3,555,127	\$ 2,436,553	\$ (1,118,574)	\$ 2,066,744	117.89%	\$ (369,809)
Topeka Zoological Park	\$ 2,433,815	\$ 2,423,180	\$ (10,635)	\$ 2,282,481	106.16%	\$ (140,699)
Planning Department	\$ 810,246	\$ 864,815	\$ 54,569	\$ 841,794	102.73%	\$ (23,021)
TOTAL EXPENDITURES	\$ 81,004,034	\$ 83,644,097	\$ 2,640,063	\$ 92,254,204	90.67%	\$ 8,610,107
BETTER/(WORSE)	\$ 3,913,030	\$ 3,721,129				
ENDING FUND BALANCE	\$ 9,402,466	\$ 13,275,559	\$ 3,873,093			

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ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET

Fund	YTD Actual Revenues	2014 YTD Revenue Budget	Difference	% of Total Budget	0% 50% 100%		
General	\$ 87,365,226	\$ 79,293,382	\$ 8,071,844	101%			
Debt Service	\$ 21,218,382	\$ 21,126,288	\$ 92,094	100%			
Special Liability	\$ 848,509	\$ 847,708	\$ 801	100%			
Special Highway	\$ 6,191,960	\$ 5,843,158	\$ 348,802	106%			
Special Alcohol & Drug	\$ 515,707	\$ 525,000	\$ (9,293)	98%			
Alcohol & Drug Safety	\$ 81,801	\$ 75,500	\$ 6,301	108%			
Law Enforcement	\$ 369,120	\$ 321,500	\$ 47,620	115%			
Transient Guest Tax	\$ 1,796,817	\$ 2,450,000	\$ (653,183)	73%			
Employee Separation		\$ -	\$ -				
Retirement Reserve	\$ 1,115,444	\$ 666,700	\$ 448,744	167%			
KP&F Rate Equalization	\$ 3,707	\$ -	\$ 3,707	0%			
Neighborhood Revitalization	\$ 39,962	\$ 35,000	\$ 4,962	114%			
Historical Asset Tourism	\$ 142,136	\$ 115,000	\$ 27,136	124%			
Half Cent Sales Tax (JEDO)	\$ 8,253,970	\$ 8,000,000	\$ 253,970	103%			
Half Cent Sales Tax (Street)	\$ 12,785,840	\$ 13,830,000	\$ (1,044,160)	92%			
Tax Increment Financing	\$ 262,195	\$ 200,000	\$ 62,195	131%			
Court Technology	\$ 58,303	\$ 45,000	\$ 13,303	130%			
Downtown Improvement	\$ 165,639	\$ 186,542	\$ (20,903)	89%			
Community Development	\$ 110,777	\$ 121,000	\$ (10,223)	92%			
Combined Utilites	\$ 60,620,985	\$ 62,616,400	\$ (1,995,415)	97%			
Public Parking	\$ 3,052,056	\$ 3,162,635	\$ (110,579)	97%			
Facilities	\$ 1,468,256	\$ 1,825,074	\$ (356,818)	80%			
Fleet	\$ 1,884,331	\$ 1,854,505	\$ 29,826	102%			
IT	\$ 3,730,045	\$ 3,770,782	\$ (40,737)	99%			
Risk Funds	\$ 12,485,854	\$ 12,625,000	\$ (139,146)	99%			
TOTAL	\$ 224,567,022	\$ 219,536,174	\$ 5,030,848	99%			

Fund	YTD Actual Expenditures	2014 YTD Expen. Budget	Difference	% of Total Budget	0% 50% 100%		
General	\$ 83,644,097	\$ 92,254,204	\$ 8,610,107	97%			
Debt Service	\$ 21,667,055	\$ 22,587,983	\$ 920,928	96%			
Special Liability	\$ 570,316	\$ 996,490	\$ 426,174	57%			
Special Highway	\$ 5,987,511	\$ 6,334,049	\$ 346,538	95%			
Special Alcohol & Drug	\$ 555,820	\$ 600,000	\$ 44,180	93%			
Alcohol & Drug Safety	\$ 55,642	\$ 62,182	\$ 6,540	89%			
Law Enforcement	\$ 451,497	\$ 550,000	\$ 98,503	82%			
Transient Guest Tax	\$ 1,681,068	\$ 2,800,000	\$ 1,118,932	60%			
Employee Separation	\$ 1,265,159	\$ 1,500,000	\$ 234,841	84%			
Retirement Reserve	\$ -	\$ 900,000	\$ 900,000	0%			
KP&F Rate Equalization	\$ 109,963	\$ 300,000	\$ 190,037	37%			
Neighborhood Revitalization	\$ -	\$ 150,000	\$ 150,000	0%			
Historical Asset Tourism	\$ 268,754	\$ 300,000	\$ 31,247	90%			
Half Cent Sales Tax (JEDO)	\$ 7,053,970	\$ 8,700,000	\$ 1,646,030	81%			
Half Cent Sales Tax (Street)	\$ 8,505,237	\$ 15,675,502	\$ 7,170,265	54%			
Tax Increment Financing	\$ 222,249	\$ 240,000	\$ 17,751	93%			
Court Technology	\$ 34,358	\$ 50,000	\$ 15,642	69%			
Downtown Improvement	\$ 152,421	\$ 186,542	\$ 34,121	82%			
Community Development	\$ 86,061	\$ 119,200	\$ 33,139	72%			
Combined Utilites	\$ 60,652,461	\$ 65,406,216	\$ 4,753,755	93%			
Public Parking	\$ 3,117,841	\$ 3,757,881	\$ 640,040	83%			
Facilities	\$ 1,357,510	\$ 1,791,858	\$ 434,348	76%			
Fleet	\$ 1,720,931	\$ 1,842,598	\$ 121,667	93%			
IT	\$ 3,114,498	\$ 3,419,033	\$ 304,535	91%			
Risk Funds	\$ 10,948,223	\$ 12,625,000	\$ 1,676,777	87%			
TOTAL	\$ 213,222,641	\$ 243,148,738	\$ 28,249,320	90%			



CASH MANAGEMENT

Pooled Cash & Investments

Type of Investment	Guidelines			Invested Value	Yield to Maturity
	Minimum	Maximum	Actual %		
Bank Certificates of Deposit	0%	100%	34%	\$ 30,400,000	0.35
US Treasuries	0%	100%	2%	\$ 1,996,863	0.10
US Agencies	0%	100%	31%	\$ 27,993,986	0.73
Repurchase Agreements	0%	50%	-	-	-
Municipal Investment Pool	0%	30%	1%	\$ 753,748	-
Municipal Refunding Bonds	0%	100%	-	-	-
Kansas General Obligation Bonds with credit below A3 or A-	0%	5%	-	-	-
Kansas General Obligation Bonds with credit of A3 or A- higher	0%	30%	32%	\$ 28,394,031	0.60
Subtotal of Investments				\$ 89,538,628	0.45
General Checking				\$ 42,291,089	
Total Cash Balance				\$131,829,717	
Duration of investments (expressed in years)				1.11	

The City recognizes that effective cash management is an integral part of good financial management. The City seeks out investments that achieve the highest rates within allowable securities that preserve the safety, liquidity, return on investment and diversification of funds. The chart to the left describes the invested value of City investments compared to the guidelines of the investment policy. It also shows the total

cash balance of the City as of the month end in the total cash balance line, and shows the average duration of investments, which are limited to under 2 years for municipalities that do not have expanded investment powers as granted by the State of Kansas except for funds designated as multi-year capital improvement or investment of proceeds on bonds issued under Kansas law.

DEBT MANAGEMENT

Finance staff oversee all debt issued by the City, which includes General Obligation (GO), revenue backed, revolving loan funds, temporary notes and special assessment debt. As of December 2014 the City had \$387,604,808 in permanent and temporary debt, compared to \$388,463,077 in 2013 or a -.22% decrease. When backing out the

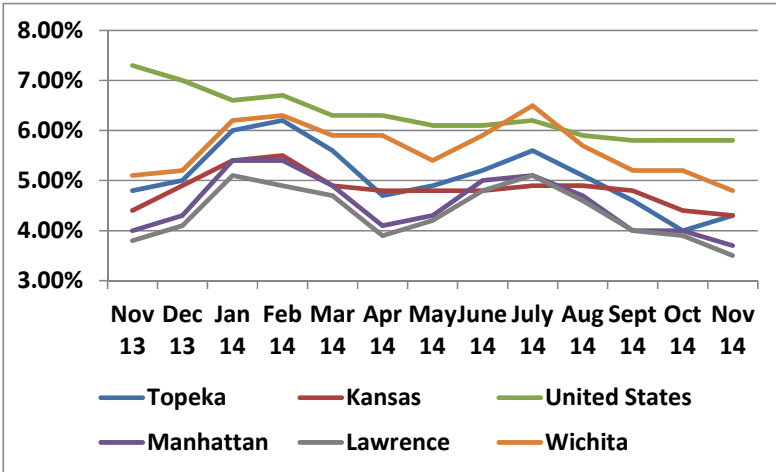
Debt Management

Instrument	2013	2014
Governmental General Obligation Bonds	\$ 140,270,111	\$ 131,938,017
Business Type General Obligation Bonds	\$ 10,189,889	\$ 11,121,983
Other General Obligation Bonds	\$ 15,340,000	\$ 14,135,000
Utility Revenue Bonds	\$ 123,790,000	\$ 132,420,000
Sales Tax Revenue Bonds	\$ 9,010,000	\$ 6,070,000
KDHE Revolving Loans	\$ 65,278,077	\$ 58,529,808
Temporary Notes	\$ 24,585,000	\$ 33,390,000
Total	\$ 388,463,077	\$ 387,604,808

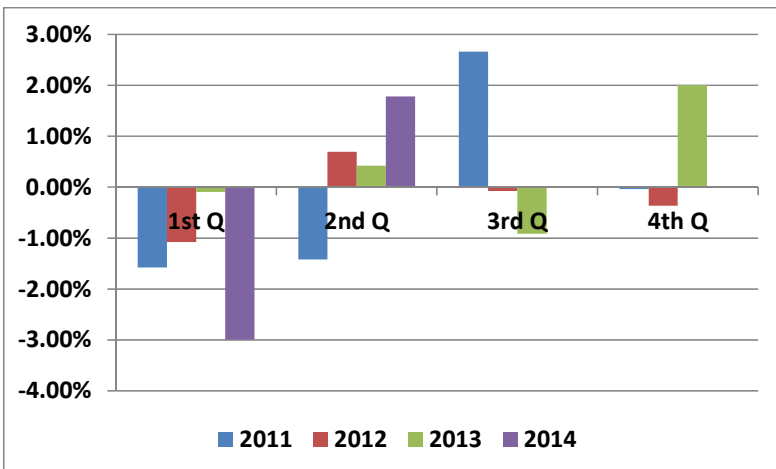
temporary notes and comparing current permanent debt to the prior year, permanent debt decreased by -2.66%.



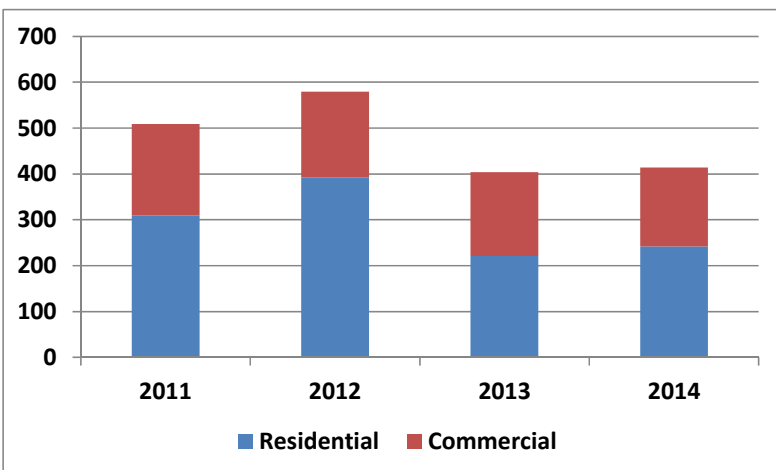
COMMUNITY STATISTICS



Unemployment Rates: Unemployment rates listed for Topeka, Lawrence, Manhattan and the Wichita area, measure the entire Metropolitan Statistical Area. The unemployment rate is a measure of the prevalence of unemployment and it is calculated as a percentage by dividing the number of unemployed individuals by all individuals currently in the labor force or those actively seeking employment and willing to work. The unemployment rate for November of 2014 was 4.30%, data lags by one month.



Federal Housing Finance Agency House Price Index: The Housing Price Index is a broad measure of the movement of single-family housing prices. It serves as a timely, accurate indicator of house price trends. This information is specific for the City of Topeka and is obtained by reviewing repeat mortgage transactions on single-family properties whose mortgages have been purchase or securitized by Fannie Mae and Freddie Mac since January 1975. It is updated on a quarterly basis. The higher percent increase means higher sales data for housing.



Building Permits: These are the total number of building permits issued in the City of Topeka through December for each year. Building permits are issued for new residential, 3 or more family units, duplexes, new commercial, residential addition, commercial additional and 5 or more family. They are an important to measure the amount of new construction in the community, which in turn increases value to the assessed valuation of the City. Blue represents residential permits and red represents commercial permits.